

Case Study

Limited Budget, Maximum Growth

Achieve incremental growth
with a limited Budget

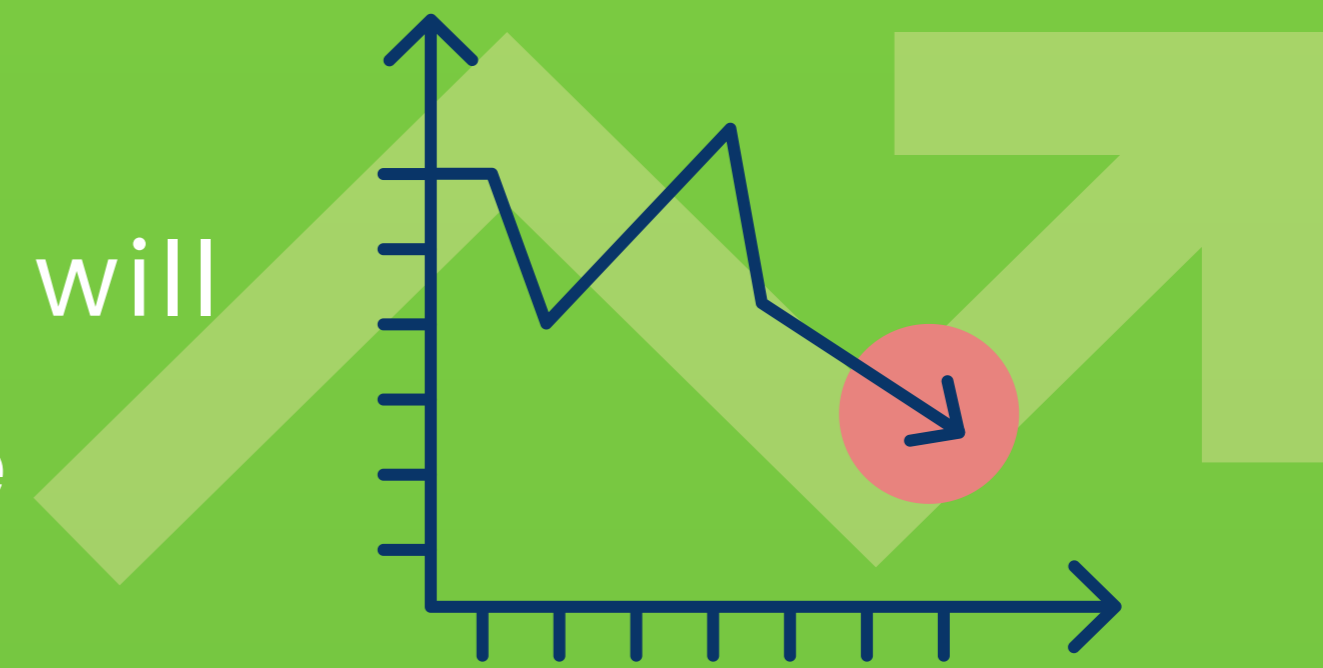


SEO VS PPC

Why this study?

This case study is to educate businesses that no small investment in SEO is a waste. It provides incremental growth Year over year.

The growth enjoyed from any paid campaigns will decline or stop as soon as we reduce/stop the budget.



In Contrast

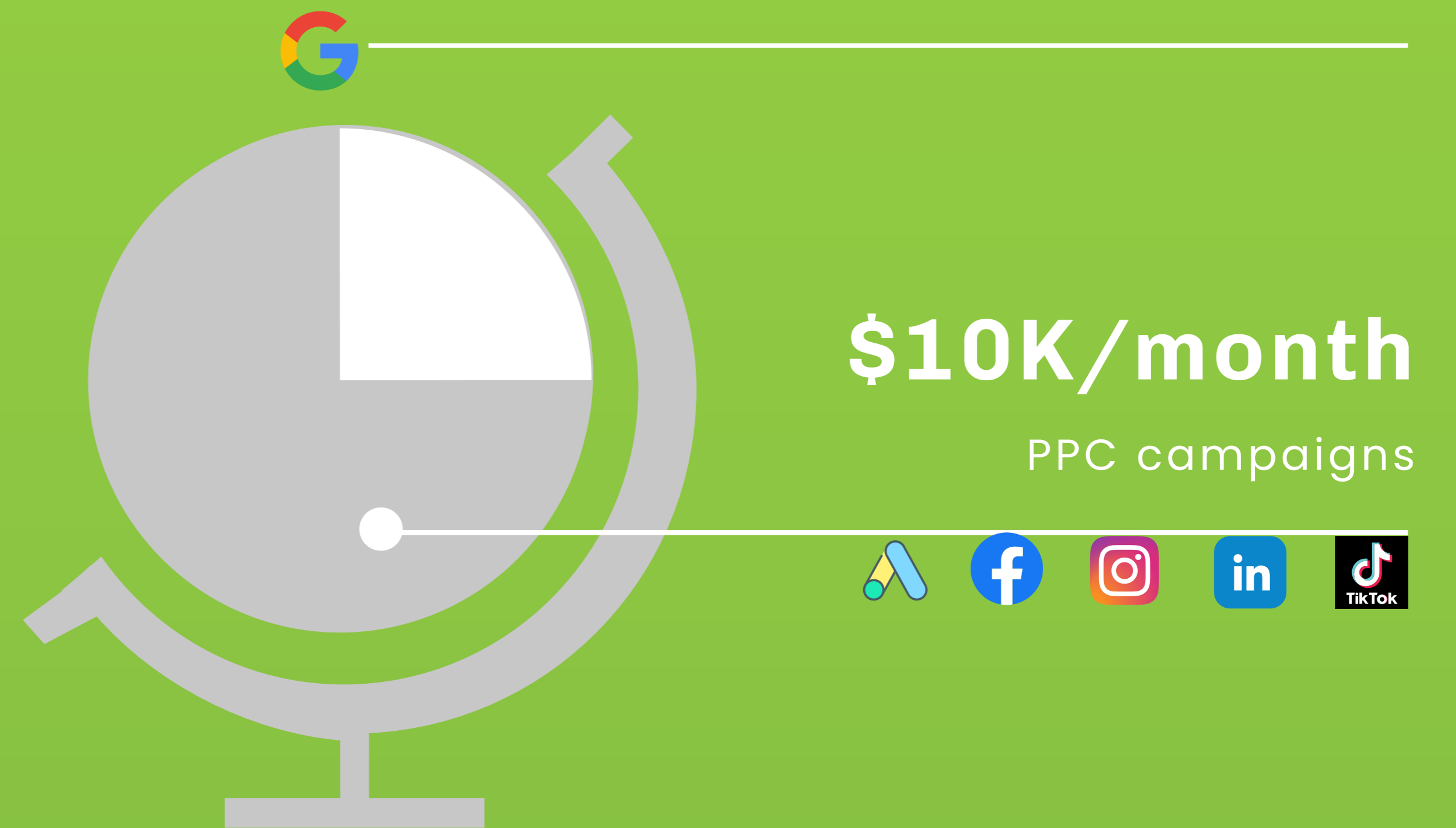
SEO and content keep the growth momentum that ensure sustainable growth.



Scenario

The company was investing \$10K/month for paid ads with a CPC of \$2 and investing \$5K/month on SEO for the last 2 years.

\$5K/month
SEO Investment



Incremental Growth (PPC)

Let's see the growth that PPC campaign brought to the company

- CPC: \$2
- Conversion rate: 5%
- Investment: \$10K/month
- Year 1 traffic: 500K clicks, 25K conversions (5% Conversion)
- Year 2 traffic: 500K clicks, 20K conversions
- Year 2 CPC increase: \$3/month
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Total traffic for the 2-year period: 1M clicks

Total conversions for the 2-year period:
= 45K conversions

Incremental growth for the paid campaigns:

Traffic: 0 clicks (no increase from year 1 to year 2)

Conversions: -5K conversions (20% decrease from year 1 to year 2 due to the CPC increase)



When \$2 as CPC

25K conv/year

Ad spent
=\$20,000

When \$3 as CPC

20K conv/year

Incremental Growth (SEO)

Let's see the growth that SEO campaign brought to the company

- Investment: \$5K/month
- Year 1 traffic: 270K clicks, 12.5K conversions
- Year 2 traffic: 375K clicks, 18.75K conversions

Total traffic for the 2-year period: 645K clicks

Total conversions for the 2-year period: 31.25K conversions

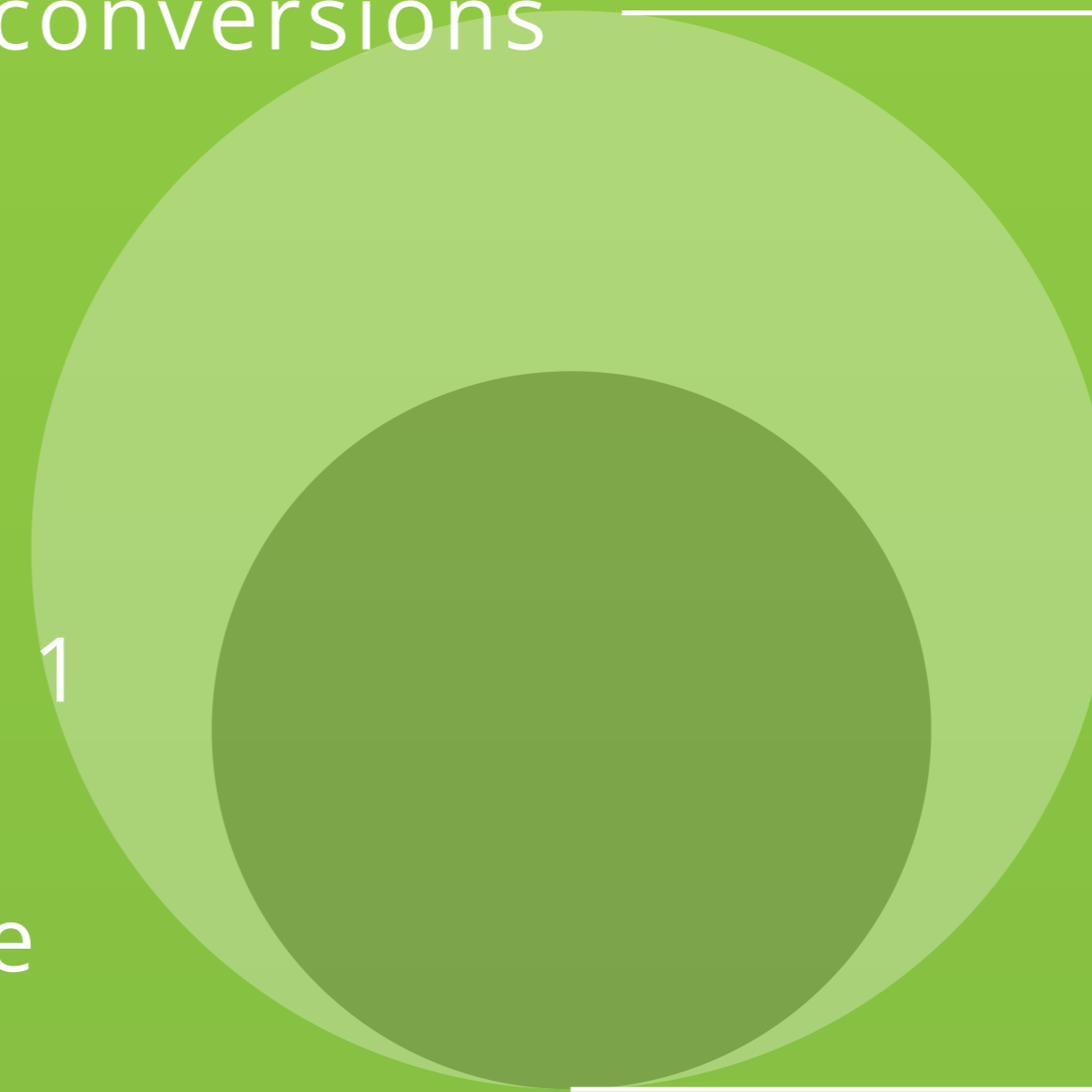
On the 2nd year
375K clicks/year

Incremental growth for the SEO campaigns:

- Traffic: 312.5K clicks (50% increase from year 1 to year 2)
- Conversions: 5.25K conversions (50% increase from year 1 to year 2)

SEO spent
=\$10,000

On the 1st year
270K visits/year



Incremental ROI

The worth of traffic value generated by the SEO efforts as follows:

Total investment in SEO for 2 years: $\$5\text{K}/\text{month} * 24 \text{ months} = \mathbf{\$120\text{K}}$

Average monthly traffic value generated by SEO efforts during the 2-year period: Let's assume the organic traffic is worth \$2 per click.

At 11,250 visits/month, the traffic value would be $\$22,500/\text{month}$.

Total worth of traffic value generated by SEO efforts after 2 years:
 $\$22,500/\text{month} * 24 \text{ months} = \$540,000$

Total
worth
 $= \$540,000 \text{ M}$



Total
investment
 $= \$120,000$



Comparison (PPC Cost vs SEO Cost)

Total worth of traffic value generated by SEO efforts after 2 years:

\$22,500/month * 24 months = \$540,000/-

For the first year of the paid campaign:

- Total cost of the paid campaign: $\$10,000/\text{month} * 12 \text{ months} = \$120,000$
- Number of clicks generated: $\$120,000 / \$2 \text{ CPC} = 60,000 \text{ clicks}$
- Traffic value generated: $60,000 \text{ clicks} * \$2 \text{ per click} = \$120,000$

For the second year of the paid campaign:

- Total cost of the paid campaign:
- $\$10,000/\text{month} * 12 \text{ months} = \$120,000$
- Number of clicks generated:
- $\$120,000 / \$3 \text{ CPC} = 40,000 \text{ clicks}$
- Traffic value generated:
- $40,000 \text{ clicks} * \$2 \text{ per click} = \$80,000$

With
PPC

\$810,000

Traffic cost for 2 years

With
SEO

\$120,000

Traffic cost

Comparison (PPC Cost vs SEO Cost)

Total traffic generated by the paid campaign over the 2-year period:

- 60,000 clicks (first year) + 40,000 clicks (second year) = 100,000 clicks

Total traffic generated by the SEO campaign over the 2-year period:

- 11,250 clicks/month * 24 months = 270,000 clicks

To achieve the same level of traffic value generated by the SEO efforts, assuming the same conversion rate of 5%, we can calculate the number of clicks required as:

- $\$540,000 / \$2 \text{ CPC} = 270,000 \text{ clicks}$

So, the total cost of achieving the same level of traffic value generated by the SEO efforts through paid advertising would be:

- $270,000 \text{ clicks} * \$3 \text{ CPC} = \$810,000$

Therefore, the paid campaign would have to spend \$810,000 to achieve the same traffic value as the 2-year SEO efforts.



The Result

Comparing the ROI of SEO and paid advertising, we can see that the SEO campaign generated a traffic value of \$540,000 with an investment of \$120,000, resulting in an ROI of 350%. The paid campaign, on the other hand, generated a traffic value of \$200,000 with an investment of \$240,000, resulting in an ROI of 83%.

125%

2 years
PPC
ROI

350%

2 years
SEO
ROI